

## LEGAL REPRESENTATIVES OF JOHN ROACH.

JANUARY 22, 1897.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MINOR, of Wisconsin, from the Committee on Claims, submitted the following

### REPORT.

[To accompany H. R. 2137.]

The Committee on Claims, to whom was referred the bill (H. R. 2137) for the relief of the legal representatives of John Roach, deceased, have had the same under consideration, and respectfully report:

Your committee adopt the report (No. 754) by the Senate Committee on Claims, Fifty-fourth Congress, first session, as a part of this report:

[Senate Report No. 754, Fifty-fourth Congress, first session.]

The Committee on Claims, to whom was referred Senate bill 1181, have considered the same and respectfully report as follows:

John Roach, on the 23d day of July, 1883, entered into three several contracts with the United States, represented by William E. Chandler, Secretary of the Navy, for the construction of three steam cruisers, the *Atlanta* and *Boston*, 3,000 tons displacement each, and the *Chicago*, 4,500 tons, to be completed and ready for inspection and delivery on or before the expiration of eighteen months from the date of said contracts, copies of which are to be found in Senate Executive Document No. 153, Forty-ninth Congress, first session, at pages 144-157.

Under and pursuant to the said contracts John Roach duly and promptly commenced the construction of each of the said three cruisers at the shipyard of the Delaware River Iron Shipbuilding and Engine Works, whereof he was the substantial owner, at Chester, in the State of Pennsylvania, and thereafter, and until the 18th day of July, 1885, faithfully prosecuted the construction of each of the said cruisers according to contract.

The construction of the said cruiser *Atlanta* had practically been completed before the said 18th day of July, 1885, except the fittings and machinery thereof, and she had on the 17th of November, 1884, been sent to New York to be completed at the shipyard and machine shop owned by John Roach, known as the Morgan Iron Works, in the city of New York, and she was on the said 18th day of July, 1885, in all respects as to machinery and otherwise, nearly completed and ready for delivery.

On that day the cruisers *Boston* and *Chicago* were still unfinished at the Chester shipyard, the *Boston* being much further advanced toward completion than the *Chicago*.

Each and all of the said cruisers would have been duly and properly completed by John Roach within the time limited by the contracts, to wit, January 23, 1885; but various changes in the plans and in the construction of each of the said cruisers, and its machinery and equipments and fittings were made by the United States, and a large amount of extra work was required of the contractor in respect to each of them, which necessarily delayed the completion thereof beyond the said 18th day of July, 1885, without any fault or neglect on the part of John Roach.

The *Atlanta* was completed and removed from the Morgan Iron Works, New York, on June 28, 1886.

The *Boston* was completed and removed from the shipyard at Chester, on August 28, 1886.

The *Chicago* was completed and removed from the shipyard at Chester, June 21, 1887.

#### ATLANTA.

The time consumed in completing the *Atlanta* at the Morgan Iron Works by the Government was ten months and twenty-two days (from August 6, 1885, to June 28, 1886). Quintard and Weed, in their affidavits, state that this vessel could and should have been completed in four months, leaving for occupation of premises by *Atlanta* six months and twenty-two days.

The charge, as made by the executors of John Roach, for occupation by the *Atlanta* is five months instead of six months and twenty-two days.

#### CHICAGO.

The time consumed in completing the *Chicago* at the Delaware Iron Shipbuilding and Engine Works by the Government was twenty-two months and fourteen days (from August 6, 1885, to June 21, 1887). Quintard and Weed, in their affidavits, state that this vessel could and should have been completed in seven months, leaving for occupation of premises by the *Chicago* fifteen months and fourteen days.

The charge, as made by the executors of John Roach, for occupation by the *Chicago* is thirteen months, instead of fifteen months and twenty-two days.

#### BOSTON.

The time consumed in completing the *Boston* at the Delaware Iron Shipbuilding and Engine Works by the Government was twelve months and twenty-two days (from August 6, 1885, to August 28, 1886). Quintard and Weed, in their affidavits, state that this vessel could and should have been completed in four months, leaving for occupation of premises by the *Boston* eight months and twenty-two days.

The charge of thirteen months for the *Boston* for occupation of the yard is made because the whole yard was occupied by the *Chicago*, and by this the expense is divided equally between the two vessels.

On the 30th of June, 1885 (see Annual Report of Secretary of the Navy, December, 1885, p. 318), the Attorney-General rendered to the Secretary of the Navy his opinion that the contract with John Roach for the construction of the dispatch boat *Dolphin* was null and void (although at that date Roach had substantially completed her), on the ground that the contractor was not required by the contract to furnish a speed of 15 knots irrespective of the drawings furnished by the United States; and further, that suit should be brought to recover from him the installments, \$315,000, received by him from time to time on the *Dolphin*. The gist of this opinion was, that he was bound to furnish a certain speed and at the same time to comply with drawings which he neither furnished nor controlled. Because this contract provided relief for the contractor from the speed provisions in case the defect was in the drawings; because the contract did not impose upon the contractor the penalty for the failures of the United States, the Attorney-General thought the contract was void from the beginning.

The promulgation of this opinion on the 12th of July, 1885, impaired and destroyed John Roach's financial credit, and inflicted on him such financial embarrassment that he became unable to continue and complete the cruisers *Atlanta*, *Boston*, and *Chicago*.

And on this account John Roach made an assignment to George W. Quintard and George E. Weed for the benefit of his creditors on the 18th of July, 1885. The works at New York employed 1,500 men, the shipyard at Chester 3,000 men, and the rolling mills and furnaces connected with these works employed 800 men. All of these vast works were closed for over four months by the enforced idleness caused by the action of the Government.

The works at Chester were capable of producing 10 large-class steamers per year, or over 28,000 tons per year, and were valued at \$1,000,000, and the furnaces alone for making the iron for the ships cost \$250,000. (See United States Census Report for 1880.)

The Morgan Iron Works at New York were valued at \$702,000, and they were all kept in enforced idleness by the Government.

John Roach died in the city of New York on the 10th day of January, 1887.

The said Quintard and Weed, as assignees as aforesaid, have practically executed and completed the trusts vested in them by the said general assignment, and have heretofore duly transferred and conveyed to the executors the assigned estate of the said John Roach, deceased, including the claim and demand herein set forth, and the executors aforesaid are now the lawful owners and holders thereof.

After the execution of the assignment for the benefit of creditors above mentioned, and on or about the 6th day of August, 1885, the Secretary of the Navy declared each one of the said three contracts forfeited, and declared that the rights of the United States under each of the same, and especially under the eleventh, twelfth, and thirteenth clauses of each of the said contracts, were operative, and gave notice of their intention in respect to the cruiser referred to therein to proceed to complete the same, and took charge of each of the said three cruisers and their machinery, with the materials and fittings constructed, furnished, or on hand for the purpose of their construction, and required and received from the said John Roach the surrender of the same and of the said two shipyards and all their appliances and appurtenances, including the entire plant, as well at Chester, in the State of Pennsylvania, as in the city of New York, and all machinery, tools, and appliances appertaining thereto at each of the said places.

From the time of this forfeiture, August 6, 1885, until the 21st of June, 1887, the Morgan Iron Works at New York, its machine shop and wharves, remained under the control and custody of the Government, and the assignees were not allowed to take any other work.

Similarly from the 6th of August, 1885, until the 21st of June, 1887, the shipyard at Chester, with its whole plant, machinery, tools, wharves and dock, and appliances, remained in the custody and control of the United States until June 21, 1887.

But from and after this forfeiture and this declaration that the Government would complete the work, to wit, August 6, 1885, until November 9, 1885, no work was done or attempted by the Government, and no allowance for this delay is included in this bill.

These works were barred from taking any other work, and were conducted and run solely for the benefit of the United States.

By the terms of each of the contracts (clause 13) it was provided that in case the Secretary of the Navy should proceed under the twelfth

clause of said contract to complete the work, such procedure should be without unnecessary delay; but, although the said Secretary of the Navy did proceed to complete the work, such procedure was not without unnecessary delay, but, on the contrary, was accompanied by great and unnecessary delay in the completion of said work, caused wholly by the fault of the United States.

On the 10th of November, 1885, Commander Robeson, acting under the instructions of the Secretary of the Navy, received the *Dolphin* at the Brooklyn Navy-Yard, and never again was the destructive opinion of the Attorney-General cited by any officer of the United States either as an exposition of law or as a ground for either action or inaction on the part of the United States. Concerning the general excellence of the *Dolphin* the Secretary of the Navy said, in his report of November 30, 1889 (pp. 6, 7).

The record of the *Dolphin*, which vessel began with a speed of 15.11 knots on her contract trial, and which has recently returned from a cruise around the world, is not less satisfactory. The results of the inspection of the vessel, after she has been three years and nine months in commission, are reported by the Board of Inspection, under date of October 2, 1889, as follows:

"The material used in the construction of this vessel and the workmanship speak well for the designers and the builders. Aside from the slight repairs to her bearings she is ready for another cruise. By the most liberal estimates the work in the construction department can be done inside of a month. This, the first of the new navy, makes a splendid showing for structural strength, fine material, and good care."

Her captain reports that she can average 14 knots an hour for any length of time, and under favorable circumstances she can run 16 at sea.

In the course of her cruise the *Dolphin* has run 58,000 miles in twenty months, and has been under steam nine thousand hours. In this prolonged run she has been stopped for repairs but once, and then for only two hours. This performance is probably without a parallel in the history of naval vessels, and bears conclusive testimony to the high skill of American artisans and the excellence of their work. Nor is it the less remarkable, in view of the confident predictions with which, at the outset of her career, the official condemnation of the vessel was somewhat prematurely pronounced by expert and inexpert judges.

It is therefore proved by the test of actual cruising that the first modern experiments of the Department have come close to the highest standard of speed which had been reached at the date of their design, and that in structural strength, endurance, and workmanship they are not inferior to anything now afloat.

The cruiser *Atlanta* could and should, without unnecessary delay, have been completed by the United States on the 28th day of January, 1886, but in fact, by reason of the unnecessary delay, on the part of the United States in the doing of said work, the same was not finished by the Government nor the cruiser taken from the yard by the Government until the 28th day of June, 1886.

The cruiser *Boston* could and should, without unnecessary delay, have been completed by the United States on the 1st day of April, 1886, but in fact, by reason of the unnecessary delay on the part of the United States in the doing of said work, the same was not finished by the Government nor the cruiser taken from the yard by the Government until the 28th day of August, 1886.

And the cruiser *Chicago* could and should, without unnecessary delay, have been completed by the United States on the 20th day of May, 1886, but in fact, by reason of the unnecessary delay on the part of the United States in the doing of said work, the same was not finished by the Government nor the cruiser taken by the Government until the 21st day of June, 1887.

During all of the time of said unnecessary delay the United States kept possession of the shipyard at Chester, which was, at that time, one of the largest and best equipped shipyards in the country, and

embraced within it a foundry, machine shop, boiler shop, pattern shop, blacksmith shop, and joiner shop, and all the usual offices, store buildings, riggers' lofts, etc., requisite for a first-class shipyard, and the same was a complete and thoroughly furnished shipyard in every particular, and had the best modern appliances for every branch of its work, and the possession by the Government was absolute and complete during the whole of the time of said unnecessary delay.

The use of the plant and yard at Chester, with its tools, machinery, and equipment, together with the furnace and rolling mill, of which the Government so took and held possession, was worth the sum of \$16,505.20 per month, and for the time of said unnecessary delay, to wit, from May 20, 1886, to June 21, 1887, the reasonable value of the use and occupation by the Government was at least the sum of \$214,567.60.

The *Boston* and *Chicago* occupied the machine shop, boiler shop, plate shop, foundry, joiner shop, wharves, docks, shears, and storehouses, also the use of steam engines and boilers to run the boiler shop, foundry, machine shop, joiner shop and shears, and coal consumed to run the various engines, engineers included, at Chester, during the unnecessary delay of enforced idleness by the acts of the Government. Seventeen tons of coal were consumed per day by the various engines in the yard.

The plant was one of the largest and best equipped in the United States, and embraced within it a machine shop equipped with the best and most modern appliances and tools that could be bought to build and equip a ship, from the pig iron to the smallest piece of material that is required in their construction. The machine shop was filled with the most costly tools skill could devise to build the engines, with the vast derricks and appliances which cost hundreds of thousands of dollars.

The shipyard was capable of constructing 8 large ships at one time, with the boilers and engines to run the various tools.

The docking and wharf facilities were sufficient to accommodate 8 ships at a time, with the vast shears and derricks to put the boilers and machinery on board.

There was a large rolling mill near the premises which was owned by Mr. Roach, where he made the largest steel and iron plates in the world.

At the Chester Works alone there were 18 engines of various sizes running and consuming coal, during the enforced idleness by the Government's not completing these vessels, as follows:

	Engines.
Machine shop.....	1
Joiner shop.....	1
Iron and brass foundry.....	1
Boiler shop.....	2
Riggers.....	3
Boat yard.....	3
Beam shop.....	1
Portable engines.....	2
Steamfitter's engine.....	1
Electric-light engines.....	3

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The shipyard and machine shop of John Roach, known as the Morgan Iron Works of New York, occupied about one and one-half blocks of land, extending from Avenue D east, to Ninth and Tenth streets, in the city of New York, with certain valuable wharfage privileges on the East River, and there were upon the premises a thoroughly equipped engine and machine shop, with a large forge, having capacity to do the largest work, such as propeller shafts and crank shafts, together

with a fully equipped machine shop, boiler shop, pattern shop, foundries, office buildings, and stores, and had all needful conveniences for handling heavy machinery and the cranes and derricks needful for putting the heaviest machinery into vessels.

The use of the plant and yard at New York, with its tools, machinery, and equipment, of which the Government so took and held possession for the *Atlanta* was worth \$6,602.08 per month, and for the whole time of said unnecessary delay, to wit, January 28, 1886, to June 28, 1886, the reasonable value of the use and occupation by the Government was at least the sum of \$33,010.40.

For the completion of the said cruisers two corps of men were necessarily organized and employed as an office staff, one at the said shipyard at Chester, and one other at the said contractor's yard and machine shop in the city of New York, known as the Morgan Iron Works.

The compensation paid as wages to this corps of men at the said Morgan Iron Works amounted to the sum of \$3,721.64 for each month, and for the whole time of the unnecessary delay, to wit, January 28, 1886, to June 28, 1886, \$18,608.20.

The compensation paid as wages to the corps of men at Chester amounted to the sum of \$4,061.64 for each month, and for the whole time of the unnecessary delay, to wit, May 20, 1886, to June 21, 1887, \$52,801.32.

By each of the said contracts it was provided by the eighth clause thereof, which is identical in each of them, that the hull, machinery, and fittings embraced in the contract, and all materials and appliances provided for or to be used in the construction thereof should be kept duly insured, which insurance should be renewed and increased from time to time by and at the expense of the contractor in an amount sufficient to cover all advance payments made under the contract, the loss, if any, to be stated in the policies as payable to the United States, and the insurance to be effected in such manner and in such companies as should be approved by the Secretary of the Navy.

During the unnecessary delay in completing the said cruiser *Atlanta*, to wit, from the 28th day of January to the 28th day of June, 1886, the sum of \$1,417.50 was paid and expended for such insurance; and that during the unnecessary delay in completing the said cruiser *Boston*, to wit, from the 28th day of March, 1886, to the 28th day of August, 1886, the sum of \$2,588.50 was paid and expended for such insurance; and that during the unnecessary delay in completing the said cruiser *Chicago*, to wit, from the 20th day of May, 1886, to the 21st day of June, 1887, the sum of \$7,157.19 was paid and expended for such insurance. The said several sums paid for insurance amount in all to \$11,163.19, and the said last-mentioned sum was paid by the United States and claimed by it as a proper charge against the said cruisers, and the same was withheld and retained by the United States from the executors upon the settlement of accounts respecting the same as hereinafter mentioned.

No action has been had upon this claim, or upon any part thereof, by Congress or by any of the Departments of the United States Government.

The several claims embraced herein were presented to the Secretary of the Navy upon the settlement of the accounts concerning the three cruisers, *Atlanta*, *Boston*, and *Chicago*, hereinbefore mentioned; but he declined to take any cognizance thereof, or any part of the same, for the reason that he was not, in his judgment, authorized to pass upon or adjudicate such claims, and he settled and adjusted all the other

matters in difference save those hereinabove mentioned concerning said accounts without prejudice to the right of the estate of John Roach, "to apply for and receive such sum or sums as Congress or other proper tribunal might award or authorize to be paid on account of such claims."

By reason of the facts aforesaid, the estate of John Roach has suffered damages as follows, to wit:

For withholding and detention of the said shipyard plant and its appurtenances at New York during the unnecessary delay in completing said cruiser <i>Atlanta</i> , the sum of.....	\$33, 010. 40
For the amount of wages of the corps of men employed at New York on said last-named cruiser.....	18, 608. 20
For the amount of insurance premiums paid during the same delay on said cruiser <i>Atlanta</i> , the sum of.....	1, 417. 50
Total .....	<u>53, 036. 10</u>

For the withholding and detention aforesaid of the said shipyard plant and appurtenances at Chester during the unnecessary delay in completing the cruisers <i>Boston</i> and <i>Chicago</i> , the sum of.....	214, 567. 60
For the amount of wages of the corps of men employed at said Chester on said cruisers last named during said unnecessary delay, the sum of.....	52, 801. 32
For the amount of insurance premiums paid during the same delay on said cruisers <i>Boston</i> and <i>Chicago</i> , the sum of.....	9, 745. 69

Said last-named three sums amounting to..... 277, 114. 61

This outlay of \$277,114.61 is divided between the *Boston* and *Chicago* as follows:

From the 2d of May, 1886, to the 28th of August, 1886 (three and a quarter months), the monthly expenditures of \$16,505.20 for the shipyard and \$4,061.64 for the clerical corps was expended on both the *Boston* and *Chicago*, and should be apportioned thus:

To the <i>Boston</i> .....	\$33, 421. 11
To the <i>Chicago</i> .....	33, 421. 11
For the remaining nine and three-fourths months, from August 28, 1886, to June 21, 1887, to the <i>Chicago</i> alone, \$20,566.84 per month.....	200, 526. 69
Three and one-fourth months.....	33, 421. 11
Insurance on the <i>Chicago</i> , thirteen months.....	7, 157. 19
	<u>241, 104. 99</u>
<i>Boston</i> .....	\$33, 421. 11
<i>Boston</i> , insurance .....	2, 588. 50
	<u>36, 009. 61</u>
Total.....	<u>277, 114. 60</u>

#### RÉSUMÉ.

On the <i>Atlanta</i> .....	\$53, 036. 10
On the <i>Boston</i> .....	36, 009. 61
On the <i>Chicago</i> .....	241, 104. 99
In all.....	<u>330, 150. 71</u>

And the United States, under the terms of the several contracts, are lawfully indebted to the estate of John Roach in the several sums hereinbefore mentioned, amounting in all to the sum of \$330,150.71.

In August, 1890, a settlement was effected between the assignees of John Roach, on the one hand, and the Secretary of the Navy on the other, of all matters of difference between the parties except the claim of the assignees for the prolonged use of the yards and shops of the contractor, the claim for the necessary outlay for the staff at each yard during the prolonged term, and the insurance for the same period; and the Secretary of the Navy deciding that he was without jurisdiction to

pass upon and adjust said matters of difference, it was expressly stipulated that—

Nothing in this release contained shall be construed to prejudice the right of said assignees or of the estate of the party of the first part to apply for and receive such sum or sums of money as Congress or the Court of Claims or other proper tribunal may award or may authorize to be paid on account of such claims.

The Richmond Locomotive Works, of Richmond, Va., filed a claim in the Navy Department for losses on account of delay, caused by the acts of the Government, in building the engines of the *Texas*, and the Department has awarded them \$80,049.35, which amounted to \$157 per day. In this allowance they have allowed \$8,740.24 for interest. The Committee on Naval Affairs have passed on the allowance and recommended an appropriation in the deficiency bill for its payment. The proprietors of the locomotive works filed affidavits in the Department setting forth their loss. (See House Document No. 92, Fifty-fourth Congress, first session.)

Wherefore your committee recommend the passage of the bill.

Your committee beg leave to submit herewith the memorial of John B. Roach and William F. McPherson, executors, etc., and also the affidavits of George E. Weed and George W. Quintard, to which reference is made in connection with and as a part of this report.

#### MEMORIAL OF JOHN B. ROACH AND WILLIAM F. M'PHERSON.

*To the Senate and House of Representatives of the United States of America in Congress assembled:*

The memorial of John Baker Roach and William Futhy McPherson, executors of the last will and testament of John Roach, deceased, respectfully represents:

That John Roach, on the 23d day of July, 1883, entered into three several contracts with the United States, represented by William E. Chandler, Secretary of the Navy, for the construction of three steam cruisers to be completed and ready for inspection and delivery on or before the expiration of eighteen months from the date of said contracts, copies of which are to be found in Senate Ex. Doc. No. 153, Forty-ninth Congress, first session, at pages 144 to 157. These cruisers were named, respectively, the *Atlanta*, *Boston*, and *Chicago*. The *Atlanta* and *Boston* were to have a displacement of 3,000 tons and the *Chicago* a displacement of 4,500 tons.

Under and pursuant to the said contracts John Roach duly and promptly commenced the construction of each of the said three cruisers at the shipyards of the Delaware River Iron Ship Building and Engine Works, whereof he was the substantial owner, at Chester, in the State of Pennsylvania, and thereafter and until the 18th day of July, 1885, faithfully prosecuted the construction of each of the said cruisers, pursuant to the terms of the several contracts respecting the same.

The construction of the said cruiser *Atlanta* had practically been completed before the said 18th day of July, 1885, except the fittings and machinery thereof, and she had on the 17th of November, 1884, been sent to New York to be completed at the shipyard and machine shop owned by John Roach, known as the Morgan Iron Works, in the city of New York, and she was on the said 18th day of July, 1885, in all respects, as to machinery and otherwise, nearly completed and ready for delivery.

On that day the cruisers *Boston* and *Chicago* were still unfinished at the Chester shipyard, the cruiser *Boston* being much further advanced toward completion than the cruiser *Chicago*.

(2) Each and all of the said cruisers would have been duly and properly completed by John Roach within the time limited by the contracts, to wit, January 23, 1885, but various changes in the plans and in the construction of each of the said cruisers, and its machinery and equipments and fittings, were made by the United States, and a large amount of extra work was required of the contractor in respect to each of them, which necessarily delayed the completion thereof beyond the said 18th day of July, 1885, without any fault or neglect on the part of John Roach.

(3) On the 30th of June, 1885 (see Annual Report of Secretary of the Navy, December, 1885, p. 318), the Attorney-General rendered to the Secretary of the Navy his opinion that the contract with John Roach for the construction of the dispatch boat

*Dolphin* was null and void (although at that date Roach had substantially completed her), on the ground that the contractor was not required by the contract to furnish a speed of 15 knots, irrespective of the drawings furnished by the United States; and further, that suit should be brought to recover from him the installments, \$315,000, received by him from time to time on the *Dolphin*. The gist of this opinion was, that he was bound to furnish a certain speed and at the same time to comply with drawings which he neither furnished nor controlled. Because this contract provided relief for the contractor from the speed provisions, in case the defect was in the drawings; because the contract did not impose upon the contractor the penalty for the failures of the United States, the Attorney-General thought the contract was void from the beginning.

The promulgation of this opinion on the 12th of July, 1885, impaired and destroyed John Roach's financial credit, and inflicted on him such financial embarrassment that he became unable to continue and complete the cruisers *Atlanta*, *Boston*, and *Chicago*.

(4) On the 18th day of July, 1885, John Roach, who was carrying on business at said Chester, in the State of Pennsylvania, and also in the city of New York, in the State of New York, by reason of said financial embarrassment made a general assignment in due form of law for the benefit of creditors of all of his property and rights to George W. Quintard and George E. Weed, and the said assignment was thereafter duly recorded, and the said Quintard and Weed, as well in the State of New York as in the State of Pennsylvania, were duly and lawfully vested with all the rights and interests of the said John Roach, in and under the said contracts and each of them.

(5) John Roach thereafter, and on the 10th day of January, 1887, died in the city of New York, having by his last will and testament, dated the 20th day of November, 1886, appointed John B. Roach and William F. McPherson and George E. Weed and Garrett Roach executors, and the said will was duly admitted to probate by the surrogate of the city and county of New York, and thereafter, and on the 21st day of June, 1888, said John B. Roach and William F. McPherson duly qualified as executors as aforesaid, and from thenceforward continued to act and are now acting as the only executors of the said last will and testament. George E. Weed did not qualify as such executor, nor has he acted or assumed to act as such, and said Garrett Roach died before the said will was admitted to probate.

(6) The said Quintard and Weed, as assignees as aforesaid, have practically executed and completed the trusts vested in them by the said general assignment, and have heretofore duly transferred and conveyed to your memorialists the assigned estate of the said John Roach, deceased, including the claim and demand set forth in this memorial, and your memorialists, as executors as aforesaid, are now the lawful owners and holders thereof.

(7) After the execution of the assignment for the benefit of creditors above mentioned, and on or about the 6th day of August, 1885, the Secretary of the Navy declared each one of the said three contracts forfeited, and declared that the rights of the United States under each of the same, and especially under the eleventh, twelfth, and thirteenth clauses of each of the said contracts, were operative and gave notice of their intention in respect to the cruiser referred to therein to proceed to complete the same, and took charge of each of the said three cruisers and their machinery, with the materials and fittings constructed, furnished, or on hand for the purposes of their construction, and required and received from the said John Roach the surrender of the same and of the said two shipyards and all their appliances and appurtenances, including the entire plant, as well at Chester, in the State of Pennsylvania, as in the city of New York, and all machinery, tools, and appliances appertaining thereto at each of said places.

(8) After taking possession of said yard and machine shop at New York, the Secretary of the Navy proceeded to the completion of the work upon the said cruiser *Atlanta*, and for that purpose took and held possession of the yard, plant, machinery, tools, and appliances appertaining thereto, at said city of New York, until the 23th day of June, 1886.

The Secretary of the Navy, after taking possession as aforesaid, proceeded to the completion of the work upon each of the said cruisers, *Boston* and *Chicago*, and for that purpose took and held possession of said yard, plant, machinery, tools, and appliances appertaining thereto, at said Chester (and said New York City), until the 21st day of June, 1887.

(9) By the terms of each of the contracts, as expressed in the thirteenth clause of each of the same, it was provided that in case the Secretary of the Navy should proceed under the twelfth clause of said contract (which is identical in each of said contracts) to complete the work, such procedure should be without unnecessary delay; but although the said Secretary of the Navy did proceed to complete the work, such procedure was not without unnecessary delay, but, on the contrary, was accompanied by great and unnecessary delay in the completion of said work, caused wholly by the fault of the United States.

On the 10th of November, 1885, Commander Robeson, acting under the instructions of the Secretary of the Navy, received the *Dolphin* at the Brooklyn Navy-Yard, and never again was the destructive opinion of the Attorney-General cited by any officer of the United States, either as an exposition of law or as a ground for either action or inaction on the part of the United States. Concerning the general excellence of the *Dolphin*, the Secretary of the Navy said, in his report of November 30, 1889 (pp. 6 and 7):

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"The material used in the construction of this vessel and the workmanship speak well for the designers and the builders. Aside from the slight repairs to her bearings, she is ready for another cruise. By the most liberal estimates the work in the construction department can be done inside of a month. This, the first of the new Navy, makes a splendid showing for structural strength, fine material, and good care.

"Her captain reports that she can average 14 knots an hour for any length of time, and, under favorable circumstances, she can run 16 at sea.

"In the course of her cruise the *Dolphin* has run 58,000 miles in twenty months, and has been under steam nine thousand hours. In this prolonged run she has been stopped for repairs but once, and then for only two hours. This performance is probably without a parallel in the history of naval vessels and bears conclusive testimony to the high skill of American artisans and the excellence of their work. Nor is it the less remarkable in view of the confident predictions with which, at the outset of her career, the official condemnation of the vessel was somewhat prematurely pronounced by expert and inexpert judges.

"It is therefore proved by the test of actual cruising that the first modern experiments of the Department have come close to the highest standard of speed which had been reached at the date of their design, and that in structural strength, endurance, and workmanship they are not inferior to anything now afloat."

(10) Your memorialists are informed and believe that the cruiser *Atlanta* could and should, without unnecessary delay, have been completed by the United States on or about the 28th day of January, 1886, but that in fact, by reason of the unnecessary delay on the part of the United States in the doing of said work, the same was not finished nor the cruiser taken by the Government until on or about the 28th day of June, 1886.

(11) Your memorialists are informed and believe that the cruiser *Boston* could and should, without unnecessary delay, have been completed by the United States on or about the 1st day of April, 1886, but that in fact, by reason of the unnecessary delay on the part of the United States in the doing of said work, the same was not finished nor the cruiser taken by the Government until on or about the 28th day of August, 1886.

(12) And, as your memorialists are informed and believe, that the cruiser *Chicago* could and should, without unnecessary delay, have been completed by the United States on or about the 20th day of May, 1886, but that in fact, by reason of the unnecessary delay on the part of the United States in the doing of said work, the same was not finished nor the cruiser taken by the Government until on or about the 21st day of June, 1887.

(13) During all of the time of said unnecessary delay the United States kept possession of the shipyard at Chester, which was at that time one of the largest and best equipped shipyards in the country, and embraced within it a foundry, machine shop, boiler shop, pattern shop, blacksmith shop, and joiner shop, and all the usual offices, store buildings, riggers' lofts, etc., requisite for a first-class shipyard, and the same was a complete and thoroughly furnished shipyard in every particular and had the best modern appliances for every branch of its work, and that the possession by the Government was absolute and complete during the whole of the time of said unnecessary delay.

(14) The use of the plant and yard at Chester, with its tools, machinery, and equipment, of which the Government so took and held possession, was worth the sum of \$16,505.20 per month, and for the whole time of said unnecessary delay, to wit, from May 20, 1886, to June 21, 1887, the reasonable value of the use and occupation by the Government was at least the sum of \$214,567.60.

The *Boston* and *Chicago* occupied the machine shop, boiler shop, plate shop, foundry, joiner shop, wharves, docks, shears, and storehouses, also the use of steam engines and boilers to run the boiler shop, foundry, machine shop, joiner shop, and shears, and coal consumed to run the various engines, engineers included, at Chester, during the unnecessary delay of enforced idleness by the acts of the Government.

The plant was one of the largest and best equipped in the United States, and

embraced within it a machine shop equipped with the best and most modern appliances and tools that could be bought to build and equip a ship, from the pig iron to the smallest piece of material that is required in their construction. The machine shop was filled with the most costly tools skill could devise to build the engines, with the vast derricks and appliances which cost hundreds of thousands of dollars.

There was a large foundry equipped with cranes, blast furnaces, ovens, and all appliances to make the largest castings used for constructing the engines and machinery for the vast establishment.

Blacksmith shop with trip hammers, furnaces, and forges of all classes, where the heaviest and lightest forgings were made for the various parts of the engines as well as the hull and rigging of the ships.

The joiner shop, where all the cabins are prepared and completed before they are put together on the ships, were large and commodious and contained many of the most costly woodworking tools in the United States.

In the rigging lofts, where all the rigging for the ships is fitted before it is put on the ships, there were many costly appliances for the various kinds of work of this class.

The pattern shop and mold loft were equipped with all modern devices, so that the molds for the hulls of the ships and the patterns for the engines as well as the hulls could be all made before the vessels were commenced in the shop and shipyard.

The shipyard was capable of constructing eight large ships at one time, with the boilers and engines to run the various tools.

The docking and wharf facilities were sufficient to accommodate eight ships at a time, with the vast shears and derricks to put the boilers and machinery on board.

There were large furnaces in the yard, used for heating the frames and plates; plating and bending machines, used for frames and plating; and a great part of it was covered with buildings fitted with punches, shears, drills, rolls, bending machines of the most modern design, as well as engines and boilers to run the machinery and the various tools.

The storehouses and offices of the works were constantly used by the Government in completing these ships.

The shipyard and all its appliances were complete and of modern design, so that every branch of the work could be done in one yard.

There was a large rolling mill near the premises, which was owned by Mr. Roach, where he made the largest steel and iron plates in the world.

All these shops, with all their appliances, were in the possession of the Government during all this time of enforced idleness and delay by the arbitrary and unjust acts of the Navy Department.

At the Chester Works alone there were 18 engines of various sizes running and consuming coal, during the enforced idleness by the Government's not completing these vessels, as follows:

	Engines.
Machine shop.....	1
Joiner shop.....	1
Iron and brass foundry.....	1
Boiler shop.....	2
Riggers.....	3
Boat yard.....	3
Beam shop.....	1
Portable engines.....	2
Steam-fitter's engines.....	1
Electric-light engines.....	3

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with the usual number of engineers and firemen in charge of the same.

These engines consumed 17 tons of coal per day, or 5,000 tons a year, which amounted to about \$25,000 per annum, or over \$2,000 per month for coal alone.

The valuation of the shipyard and appurtenances at Chester, by the assignees, was \$750,000.

There were 41.08 acres of land, including docks and wharves, in the shipyard alone, or 1,800,000 square feet.

The valuation of the Morgan Iron Works, at New York, and appurtenances, by the assignees, was \$702,000.60.

*Description.*—The United States Census Report of 1880 contained the following description of this establishment of John Roach's Works at Chester, Pa., and the number of tons of ships he constructed at his yard per year, as follows:

"At Chester, Pa., there is one large yard, the property of John Roach & Son, of New York. In 1868 the founder of this business, after a long experience as a boiler and machine builder in New York, had bought the Morgan Iron Works of that city, a large establishment at the foot of Ninth street, on the East River, in which most

of his machinery has since been built. In 1872 Mr. Roach bought a large property at Chester and developed there a great iron shipyard, his first vessel being launched in 1873. It has always been a busy yard, producing regularly not less than four and sometimes as many as ten large-class steamers a year. The largest American steamships afloat came from these works. The yard itself is the most important one in the United States.

"The plant at Chester is elaborate, complete, and of the very first order, and represents an investment of about \$1,000,000. The works cover about 70 acres of ground, and have a front of 2,500 feet on the Delaware River. The river is over a mile wide at this point, with depth enough to float the largest steamer of the present day. Building slips have been substantially constructed on heavy piling, making accommodations for the building of ten large vessels at once, and the docks and wharves have been furnished with shears and hoisting engines for masting vessels and putting aboard the boilers and machinery. A short distance below the shipyard proper, and located on the river bank, are the Chester rolling and steel mills and a blast furnace, the latter with a capacity of 700 tons per week. The furnace alone cost \$250,000. These works are owned by the proprietors of the shipyard, cover about 30 acres, and employ 800 men; and it is not too much to say that they constitute the best plant in the United States for making plates and armor of iron and steel and steel castings. It is an interesting fact that at these two establishments, owned by one firm, iron and steel ships can be created, beginning with the ore itself and ending with the finished steamer completely equipped for sea. Every part of the work is done by the one firm, and it is believed that this is the only establishment in the world possessing such complete facilities.

"In the ten years from 1873 to 1882, both inclusive, the total tonnage built by John Roach & Son aggregated about 148,000 tons, the average being 14,800 per year; the largest product in any one year 28,190 tons.

"The success of this yard has been due to qualities on the part of its founder which have characterized the leading shipbuilders of America in a marked degree—energy, a fertile mind, and remarkable ingenuity in adapting vessels to the trade in which they were to be employed. A special study would be made of the kinds of cargoes carried by the vessels in a particular coasting route, and an idea would be framed of a ship which would carry more of the given varieties of goods on a lighter draft of water and at a faster rate of speed than the vessels already in the trade. This idea would be worked out in a ship in which the builder would take perhaps a quarter interest, in order to show his confidence in it. His operations have been in the main successful, and the two establishments have at times been employed to their full capacity. Fifteen hundred men can be employed in the works at New York, and about 3,000 at Chester. It is one feature of the operations of the firm that measures are taken to secure willing work from the men. They are encouraged to be inventive by a system of rewards and promotions. Furthermore, the personnel of the shipyard is kept at a high grade of character by the constant recruiting of young men of mechanical education who are fresh from school and are given a chance to go into the yard and rise."

(15) The shipyard and machine shop of John Roach, known as the Morgan Iron Works, of New York, occupied about one and a half blocks of land, extending from Avenue D east, to Ninth and Tenth streets, in the city of New York, with certain valuable wharfage privileges on the East River, and there were upon the premises a thoroughly equipped engine and machine shop, with a large forge, having capacity to do the largest work, such as propeller shafts and crank shafts, together with a fully equipped machine shop, boiler shop, pattern shop, foundries, office buildings, and stores, and had all needful conveniences for handling heavy machinery, and the cranes and derricks needful for putting the heaviest machinery into vessels.

(16) The use of the plant and yard at New York, with its tools, machinery, and equipment, of which the Government so took and held possession for the *Atlanta* was worth \$6,602.08 per month, and for the whole time of said unnecessary delay, to wit, January 28, 1886, to June 28, 1886, the reasonable value of the use and occupation by the Government was at least the sum of \$33,010.40.

(17) As your memorialists are informed and believe, for the completion of the said cruisers, two corps of men were necessarily organized and employed as an office staff, one at the said shipyard at Chester and one other at the said contractor's yard and machine shop in the city of New York, known as the Morgan Iron Works.

The corps of men employed at the said Morgan Iron Works consisted of the following, to wit:

	Per month.		Per month.
1 general superintendent and draftsman.....	\$400.00	1 foreman blacksmith.....	\$220.00
1 superintendent of machinery..	400.00	1 foreman coppersmith.....	225.00
1 chief accountant.....	400.00	1 foreman joiner.....	220.00
1 assistant accountant.....	250.00	1 foreman of riggers and laborers.....	229.00
1 time clerk.....	140.00	1 draftsman.....	240.00
1 foreman machine shop.....	240.00	A writer.....	150.00
1 foreman pattern shop.....	180.00	A store man and messenger.....	87.00
1 foreman boiler maker.....	220.00		

The compensation paid as wages to this corps of men at the said Morgan Iron Works amounted to the sum of \$3,721.64 for each month, and for the whole time of the unnecessary delay, to wit, January 28, 1886, to June 28, 1886, \$18,608.20.

At the Chester yard the corps consisted of:

	Per month.		Per month.
General superintendent.....	\$400.00	Foreman blacksmith.....	\$220.00
Assistant superintendent.....	250.00	Foreman coppersmith.....	220.00
Master shipwright.....	265.00	Foreman carpenter.....	220.00
Chief accountant.....	400.00	Foreman joiner.....	220.00
Assistant accountant.....	250.00	Foreman mold loft.....	200.00
Another assistant accountant....	150.00	Foreman of riggers and laborers	229.00
Timekeeper.....	140.00	Foreman foundry.....	220.00
A writer.....	150.00	Foreman boat yard and plate shop	220.00
Foreman machine shop.....	220.00	Store man and messenger.....	87.00

As well as laborers, teams, and all the appliances of the vast establishment and their uses.

The compensation paid as wages to this corps of men at the said Chester works amounted to the sum of \$4,061.64 for each month, and for the whole time of the unnecessary delay, to wit, May 20, 1886, to June 21, 1887, \$52,801.32.

(18) By reason of the delay in completing the work upon the said cruiser *Atlanta* the employment of the said corps above mentioned at the New York yard was continued to the 28th day of June, 1886, and for at least five months beyond the time necessary to complete the said *Atlanta* at said New York shipyard, and the same was charged against and withheld from your memorialists by the United States, the same being claimed by it as a portion of the expense needful for the completion of the said cruiser, and the total outlay so imposed upon the contractor by the United States was the sum of \$18,608.20.

(19) By reason of the delay in completing the work upon the said cruisers *Boston* and *Chicago*, the employment of the said corps above mentioned at the Chester yard was continued until the 21st day of June, 1887, and for at least thirteen months beyond the time necessary to complete the said *Boston* and *Chicago* at said Chester shipyard, and the same was charged against and withheld from your memorialists by the United States, the same being claimed by it as a portion of the expenses needful for the completion of the said cruisers, and the total outlay imposed upon the contractor by the United States was the sum of \$52,801.32.

(20) By each of the said contracts it was provided by the eighth clause thereof, which is identical in each of them, that the hull, machinery, and fittings embraced in the contract, and all materials and appliances provided for or to be used in the construction thereof, should be kept duly insured, which insurance should be renewed and increased from time to time by and at the expense of the contractor in an amount sufficient to cover all advance payments made under the contract, the loss, if any, to be stated in the policies as payable to the United States, and the insurance to be effected in such manner and in such companies as should be approved by the Secretary of the Navy.

During the unnecessary delay in completing the said cruiser *Atlanta*, to wit, from the 28th day of January to the 28th day of June, 1886, the sum of \$1,417.50 was paid and expended for such insurance; and that during the unnecessary delay in completing the said cruiser *Boston*, to wit, from the 28th day of March, 1886, to the 28th day of August, 1886, the sum of \$2,588.50 was paid and expended for such insurance; and that during the unnecessary delay in completing the said cruiser *Chicago*, to wit, from the 20th day of May, 1886, to the 21st day of June, 1887, the sum of \$7,157.19 was paid and expended for such insurance. The said several sums paid for insurance amount in all to \$11,163.19, and the said last-mentioned sum was paid by the United States and claimed by it as a proper charge against the said cruisers, and the same was withheld and retained by the United States from your memorialists upon the settlement of accounts respecting the same, as hereinafter mentioned.

(21) No action has been had upon this claim, or upon any part thereof, by Congress or by any of the Departments of the United States Government.

The several claims embraced herein were presented to the Secretary of the Navy upon the settlement of the accounts concerning the three cruisers, *Atlanta*, *Boston*, and *Chicago*, hereinbefore mentioned, but he declined to take any cognizance thereof, or any part of the same, for the reason that he was not, in his judgment, authorized to pass upon or adjudicate such claims; and he settled and adjusted all the other matters in difference, save those hereinabove mentioned concerning said accounts, without prejudice to the right of your memorialists above mentioned, or the estate of the said John Roach, to apply for and receive such sum or sums as Congress or other proper tribunal might award or authorize to be paid on account of such claims.

(22) Your memorialists herein, to wit, the said John B. Roach and William F. McPherson, as executors of the last will and testament of said John Roach, deceased, are the owners of the said claims and the only persons interested therein, and that the said executors became interested therein by virtue of the last will and testament of said John Roach, deceased, hereinbefore mentioned, and of their appointment and qualification as executors and of the assignments aforesaid.

No assignment or transfer of said claims, or of any part thereof, or of any interest therein, has been made except as stated in this memorial.

Your memorialists are justly entitled to the amount herein claimed from the United States after allowing all just credits and offsets.

(23) By reason of the facts aforesaid your memorialists have suffered damages as follows, to wit:

For withholding and detention of the said shipyard plant and its appurtenances at New York during the unnecessary delay in completing said cruiser <i>Atlanta</i> , the sum of.....	\$33,010.40
For the amount of wages of the corps of men employed at New York on said last-named cruiser.....	18,608.20
For the amount of insurance premiums paid during the same delay on said cruiser <i>Atlanta</i> , the sum of.....	1,417.50
Total .....	<u>53,036.10</u>

For the withholding and detention aforesaid of the said shipyard plant and appurtenances at Chester during the unnecessary delay in completing the cruisers <i>Boston</i> and <i>Chicago</i> , the sum of.....	214,567.60
For the amount of wages of the corps of men employed at said Chester on said cruisers last named during said unnecessary delay, the sum of..	52,801.32
For the amount of insurance premiums paid during the same delay on said cruisers <i>Boston</i> and <i>Chicago</i> , the sum of.....	9,745.69

Said last-named three sums amounting to..... 277,114.61

This outlay of \$277,114.61 is divided between the *Boston* and *Chicago*, as follows:  
From the 2d of May, 1886, to the 28th of August, 1886 (three and one-fourth months), the monthly expenditures of \$16,505.20 for the shipyard and \$4,061.64 for the clerical corps was expended on both the *Boston* and *Chicago*, and should be apportioned thus:

To the <i>Boston</i> .....	\$33,421.11
To the <i>Chicago</i> .....	<u>33,421.11</u>
For the remaining nine and three-fourths months, from August 28, 1886, to June 21, 1887, to the <i>Chicago</i> alone, \$20,566.84 per month.....	200,526.69
Three and one-fourth months.....	33,421.11
Insurance on the <i>Chicago</i> , thirteen months.....	7,157.19
	<u>241,104.99</u>
<i>Boston</i> .....	\$33,421.11
Insurance .....	<u>2,588.50</u>
	36,009.61
Total .....	<u>277,114.60</u>

#### RÉSUMÉ.

On the <i>Atlanta</i> .....	\$53,036.10
On the <i>Boston</i> .....	36,009.61
On the <i>Chicago</i> .....	<u>241,104.99</u>
In all.....	330,150.70

And your memorialists claim that under the terms of the three several contracts hereinbefore mentioned the United States are lawfully indebted to your memorialists in the several items of damages last mentioned, amounting in all to the sum of \$330,150.71.

(24) In August, 1890, a settlement was effected between the assignees of John Roach on the one hand and the Secretary of the Navy on the other, of all matters of differences between the parties except the claim of the assignees for the prolonged use of the yards and shops of the contractor, the claim for the necessary outlay for the staff at each yard during the prolonged term, and the insurance for the same period; and the Secretary of the Navy deciding that he was without jurisdiction to pass upon and adjust said matters of difference, it was expressly stipulated that "nothing in this release contained shall be construed to prejudice the right of said assignees or of the estate of the party of the first part to apply for and receive such sum or sums of money as Congress or the Court of Claims or other proper tribunal may award or may authorize to be paid on account of such claims."

JOHN BAKER ROACH, *Executor*.

WILLIAM FUTHEY MCPHERSON, *Executor*.

STATE OF PENNSYLVANIA, *County of Delaware, ss:*

Before me, a notary public in and for the aforesaid State and county, personally came John Baker Roach, who, being by me duly sworn, says that the statements contained in the foregoing memorial are just and true, to the best of his knowledge and belief.

Given under my hand and seal this 22d day of January, A. D. 1896.

[SEAL.]

WM. B. HARVEY, *Notary Public*.

STATE OF NEW YORK, *County of New York, ss:*

Before me, a notary public in and for the aforesaid State and county, personally came William Futhey McPherson, who, being duly sworn, says that the statements contained in the foregoing memorial are just and true, to the best of his knowledge and belief.

Given under my hand and seal this 27th day of January, A. D. 1896.

[SEAL.]

HENRY D. WINANS,

*Notary Public, New York County.*

#### AFFIDAVIT OF GEORGE E. WEED.

STATE OF NEW YORK, *county of New York, ss:*

Before me, a notary public in and for the city of New York, and county of New York, personally came Geo. E. Weed, who, being by me duly sworn, saith:

I have been in the business of engine and ship building for thirty years. I was familiar with the condition of the steel cruisers *Atlanta*, *Boston*, and *Chicago* at the time John Roach made his assignment, and in my opinion, these vessels could have been completed in much less time and at much less expense than they were. The *Atlanta* and *Boston* were nearly completed when the Government took charge, and in my judgment, with the facilities that were at the disposal of the Government, these vessels should have been completed in four months each. I have visited the Delaware River Iron Ship Building and Engine Works where these vessels were under construction, and where the *Boston* and *Chicago* were completed, and am very familiar with their extent and capacity as well as their value. I have also visited the Morgan Iron Works, at the foot of Ninth street, East River, New York City, and in my opinion, a fair and reasonable rental for the Morgan Iron Works, with their machinery, wharves, derricks, and appliances, during the years 1885 and 1886, at the time the *Atlanta* was being completed at said works, was at least one hundred and sixty-seven dollars per day. In my judgment a similar rental of the Delaware River Iron Ship Building and Engine Works was at least four hundred dollars per day, during the years the *Boston* and *Chicago* were being completed there by the Government, for both vessels.

During the completion of these vessels by the Government there were certain fixed charges which remained the same whether the work was diligently pushed or not. This we would call the permanent staff, and their pay would continue on days when no work was done or when one-third or one-half of the necessary workmen were employed. During the prolonged term for the completion of these vessels, rendered necessary by the delays of the Government, the daily and monthly cost of a staff was incurred at each of the yards and its cost was charged against John Roach. In my judgment, the cost of this organization at the Morgan Iron Works during the prolonged period was ninety  $\frac{13}{100}$  dollars per day and at the Delaware River Iron Ship Building and Engine Works it was ninety-eight  $\frac{43}{100}$  dollars per day.

I have no interest, direct or indirect, in the claim of the executors of John Roach (deceased) against the United States on account of the cruisers *Atlanta*, *Boston*, and *Chicago*.

GEO. E. WEED.

In testimony whereof I hereunto set my hand and notarial seal this 25 day of February, A. D. 1896.

[SEAL.]

JOE W. SWAINE, *Notary Public*.

(Certificate filed in New York County.)

AFFIDAVIT OF GEORGE W. QUINTARD.

STATE OF NEW YORK, *County of New York*, ss:

Before me, a notary public in and for the city and county of New York, personally came George W. Quintard, who, being by me duly sworn, saith:

I have been in the business of constructing engines and building ships for over forty years; for about twenty years I was owner and proprietor of the Morgan Iron Works, on the East River at the foot of Ninth street, in the city of New York, until they were sold to the late John Roach. I was familiar with the condition of the steel cruisers *Atlanta*, *Boston*, and *Chicago* at the time John Roach made his assignment, and together with George E. Weed, my coassignee, I supervised their completion by the Government of the United States. In my opinion, these vessels could have been completed in much less time and at much less expense than they were. The *Atlanta* and *Boston* were nearly completed when the Government took charge, and in my judgment, with the facilities that were at the disposal of the Government, these vessels should have been completed in four months each. I have visited the Delaware River Iron Ship Building and Engine Works, where these vessels were under construction and where the *Boston* and *Chicago* were completed, many times, and am very familiar with their extent and capacity as well as their value. I am familiar with most of the shipyards in the country and know their value. In my opinion, a fair and reasonable rental for the Morgan Iron Works, with their machinery, wharves, derricks, and appliances, during the years 1885 and 1886—at the time the *Atlanta* was being completed at said works—was at least one hundred and sixty-seven dollars per day. In my judgment, a similar rental of the Delaware River Iron Ship Building and Engine Works was at least four hundred dollars per day during the years the *Boston* and *Chicago* were being completed there by the Government, this price being for both vessels.

During the completion of these vessels by the Government there were certain fixed charges which remained the same whether the work was diligently pushed or not. This we would call the permanent staff, and their pay would continue on days when no work was done or when one-third or one-half of the necessary workmen were employed. During the prolonged term for the completion of these vessels, rendered necessary by the delays of the Government, the daily and monthly cost of a staff was incurred at each of the yards and its cost was charged against John Roach. In my judgment, the cost of this organization at the Morgan Iron Works during the prolonged period was ninety  $\frac{19}{100}$  dollars per day, and at the Delaware River Iron Ship Building and Engine Works it was ninety-eight  $\frac{43}{100}$  dollars per day.

I have no interest, direct or indirect, in the claim of the executors of John Roach (deceased) against the United States on account of the cruisers *Atlanta*, *Boston*, and *Chicago*.

GEO. W. QUINTARD.

In testimony whereof I hereunto set my hand and notarial seal this 25 day of February, A. D. 1896.

[SEAL.]

JOE W. SWAINE, *Notary Public*.

(Certificate filed in New York County.)

STATE OF NEW YORK, *County of New York*, ss:

Before me, a notary public in and for the city of New York and county of New York, personally came George E. Weed and George W. Quintard, who, being by me duly sworn, say:

We were perfectly familiar with the condition of the steel cruiser *Chicago* at the time John Roach made his assignment and at the time the Government took charge to complete the same, and in our judgment, with the facilities that were at the disposal of the Government, this vessel could have been completed in seven months from the time the Government so took charge.

GEO. W. QUINTARD.

GEO. E. WEED.

In testimony whereof I hereunto set my hand and notarial seal this 10th day of March, A. D. 1896.

[SEAL.]

JOE W. SWAINE, *Notary Public*.

It will be seen by the letter from the Honorable Secretary of the Navy, dated January 9, 1897, to Hon. E. S. Minor, in answer to an inquiry made by him on the 18th of December, 1896, for information as to the amount expended by the Department for speed and power premiums and penalties remitted on vessels that have been constructed since 1883, giving the name of said vessels, etc.,

That the Department has spent for speed premiums.....	\$2, 754, 600. 00
For indicated horsepower .....	209, 346. 27

Making.....	2, 963, 946. 27
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The Department has also remitted penalties for unfulfilled contracts on the following vessels:

Vesuvius .....	\$39, 700
Charleston.....	33, 384
Petrel .....	56, 450
Petrel .....	485
Concord .....	3, 250
Bennington.....	5, 350
Yorktown, Baltimore, Philadelphia, Newark.....	40, 350
	<hr/> 178, 969. 00

Making a total for speed, power, and penalties.....	3, 142, 915. 27
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The above has been awarded to the various shipbuilders since 1890, on 24 vessels. These are the first premiums that have ever been paid to shipbuilders in the United States, or any country, since the construction of the frigate *Constitution*, which was built in Boston in 1797.

Out of this sum of \$3,142,915.27 the Cramp Shipbuilding Company, of Philadelphia, have collected \$1,827,774.50 for speed, power, and penalties for unfulfilled contracts as to time.

There were no penalties paid John Roach; there was not even the courtesy of the Department extended to him during the time he was building these vessels, but the most rigid inquiry was conducted by the rigid boards of naval officers, as well as the condemnation of his work by arbitrary rulings of the Navy Department and its officers, and his contracts were declared illegal by the Attorney-General, which decision is set forth in this report. There were no letters written to Congress or any committee to remit any part or parcel of the cost of the *Chicago*, *Boston*, and *Atlanta*, during the time they were being constructed; but a board of officers was placed on these vessels, and the contracts were declared illegal by the Attorney-General, which caused the failure of Mr. Roach, as well as his death.

It would be a just tribute to the memory of Mr. Roach if the Government should pay the just claim that his heirs now make for the unlawful acts of the Navy Department during the time he was constructing these vessels.

DECEMBER 18, 1896.

SIR: Will you please furnish me with a statement of the amount that has been expended by the Navy Department for speed and power premiums on all vessels that have been contracted for since the year 1883, giving the name of each vessel and the amount and time of payment? Also the amount recommended to be paid by the Navy Department to the various contractors under the provision contained in the act making appropriations for the naval service for the fiscal year ending June 30, 1896, approved March 2, 1895, that the Secretary of the Navy audit and adjust the claim of the Richmond Locomotive and Machine Works against the Government for damages and losses sustained by said company by reason of delays on the part of the

Government in the execution of their contract for the construction of the machinery of the armored battle ship *Texas*, and report to Congress at its next session what amount may be due said company, and under the provision in the act making appropriations for the naval service for the fiscal year ending June 30, 1897, and for other purposes, which provision reads as follows:

"The Secretary of the Navy is hereby authorized and directed to examine claims against the Government which may be presented to him by contractors for the building of the hulls or machinery of naval vessels under contracts for the same since January first, eighteen hundred and ninety-one, where it is alleged that such contractors have been subjected to loss and damage through delays in the work under said contracts which were not the fault of said contractors, but were due to the action of the Government, and to report to the next session of Congress the result of said investigation, and whether said claims are, in his opinion, subjects for the jurisdiction of the Court of Claims or for the action of Congress upon the same."

Also a copy of the recommendation of the Secretary of the Navy remitting penalties from 1883 to the present time.

I am, yours, respectfully,

E. S. MINOR.

Hon. HILARY A. HERBERT,  
*Secretary of the Navy.*

NAVY DEPARTMENT,  
*Washington, January 9, 1897.*

SIR: Referring to your letter of the 18th ultimo, I have the honor to inclose herewith a list showing "the amount that has been expended by this Department for speed and power premiums on all vessels that have been contracted for since the year 1883, and giving the name of each vessel, and the amount and time of payment," and the penalties deducted for failure to meet contract requirements as to speed or horsepower on the part of such vessels, together with copies of communications from the Department to both Houses of Congress and committees thereof, making reports and recommendations with regard to the claims of contractors under the acts approved March 2, 1895, and June 10, 1896, respectively, mentioned in your letter, and the remission of penalties from 1883 to the present time.

In the report, dated December 20, 1895, to the Speaker of the House of Representatives, submitted, in accordance with the act of March 2, 1895, relative to the claim of the Richmond Locomotive and Machine Works under their contract for the machinery of the *Texas*, the amount recommended to be allowed was, as will be seen from the copy herewith, \$80,049.35. In the two reports of the Department, both dated December 8, 1896, with reference to claims filed under the act of June 10, 1896, it was recommended, as will be seen from the copies herewith, that the claims of the William Cramp & Sons Ship and Engine Building Company, on account of their contracts for the construction of the *New York*, the *Columbia*, the *Massachusetts*, and the *Indiana*, and the claim of Messrs. N. F. Palmer, jr., & Co. (the Quintard Iron Works) on account of their contract for the construction of the machinery of the *Maine*, be referred to the Court of Claims.

With reference to the penalties concerning which communications were written by the Department, as appears from the copies herewith, I would say that those exacted in the cases of the *Charleston* and the *Petrel* were remitted by acts of Congress approved, respectively, June 10 and September 30, 1890; those in the case of the *Vesuvius* by the act approved July 26, 1894, and those in the cases of the *Yorktown*, the *Baltimore*, the *Philadelphia*, the *Newark*, the *Concord*, and the *Bennington* by the act of March 2, 1895. The copies of the correspondence referred to in the letter of February 26, 1895, answering the Senate resolution of the 23d of that month, are not inclosed herewith for the reason that they were not accompanied by a recommendation of the Department or any expression of its views upon the matters involved, and are not, therefore, deemed to be embraced by your request.

Very respectfully,

H. A. HERBERT, *Secretary.*

Hon. E. S. MINOR,  
*House of Representatives.*

*Premiums earned and penalties incurred by naval vessels since the year 1883 on account of extraordinary or deficient horsepower or speed.*

## PREMIUMS.

Name of vessel.	For indicated horsepower.	For speed.	Vouchers approved by Department.
Yorktown.....	\$39,825.00		Apr. 26, 1889
Baltimore.....	106,441.80		Feb. 4, 1890
Philadelphia.....		\$100,000	(Oct. 20, 1891
Newark.....	36,857.70		Nov. 14, 1891
San Francisco.....		100,000	Feb. 20, 1891
Concord.....	382.04		Oct. 31, 1890
Bennington.....	3,410.43		Nov. 10, 1891
Marblehead.....			Do.
Montgomery.....		125,000	Dec. 19, 1893
Detroit.....		200,000	Mar. 17, 1894
New York.....		150,000	July 20, 1893
Machias.....		200,000	June 20, 1893
Castine.....		45,000	Aug. 3, 1894
Olympia.....		50,000	Do.
Bancroft.....		300,000	Feb. 23, 1894
Columbia.....		45,000	Aug. 3, 1894
Maine (machinery).....	22,429.30	350,000	Dec. 9, 1893
Indiana.....		50,000	Apr. 2, 1895
Massachusetts.....		100,000	Dec. 7, 1895
Oregon.....		175,000	June 2, 1896
Minneapolis.....		414,600	June 27, 1896
Brooklyn.....		350,000	Dec. 6, 1894
Total.....	209,346.27	2,754,600	Sept. 23, 1896

## PENALTIES.

Name of vessel.	Amount.	Remarks.
Charleston.....	\$33,384	Remitted June 10, 1890.
Petrel.....	485	Remitted September 30, 1890.
Monterey.....	32,823	Not remitted.

Since 1886 the Navy Department has contracted with Cramp & Sons, shipbuilders of Philadelphia, for eleven ships of various sizes. The whole amount of their contracts is \$27,593,686.20.

The cost over the contract price is as follows:

Baltimore.....	\$156,000
Yorktown.....	59,000
Newark.....	114,000
Philadelphia.....	141,000
New York.....	445,000
Columbia.....	623,000
Indiana.....	255,000
Massachusetts.....	228,000
Minneapolis.....	187,000

The *Iowa* and *Brooklyn* are not yet finished. The contract price for the *Iowa* was \$3,010,000 and the contract price for the *Brooklyn* was \$2,986,000.

As a matter of fact, the Government has paid to these contractors 14½ per cent over and above the contract price.

The date of contract, the amount of each, the per cent of rise in each, you will find in the table below.

When the other two vessels—the *Iowa* and *Brooklyn*—are completed, they will probably amount to nearly a million more, for speed and indicated horsepower.

John Roach's contract for the *Boston*, *Atlanta*, and *Chicago* was \$2,125,000. If the Navy Department had paid Mr. Roach 14½ per cent

on his contract of \$2,125,000—the same amount that they paid Cramps—he would have received \$303,000. In place of that, they declared his contract null and void, and took it upon themselves to complete the vessel. Mr. Roach and the Roach estate lost a large sum of money through the unlawful acts of the Government.

*Vessels of the New Navy built by Cramp & Sons.*

Name of vessel.	Date of contract.	Contract price.	Total payments for hull and machinery.	Cost above contract price.	Increase of per cent.
Baltimore .....	Dec. 17, 1886	\$1,325,000	\$1,480,968.15	\$155,968	11.77
Yorktown .....	Jan. 31, 1887	455,000	513,784.97	58,784	12.81
Newark .....	Oct. 27, 1887	1,248,000	1,361,581.17	113,581	9.1
Philadelphia .....	.....do .....	1,350,000	1,490,928.94	140,928	10.4
New York .....	Aug. 28, 1890	2,985,000	3,430,038.60	445,038	14.9
Columbia .....	Nov. 19, 1890	2,725,000	3,347,786.62	622,786	22.44
Indiana .....	.....do .....	3,063,000	3,318,181.03	255,181	8.33
Massachusetts .....	Nov. 18, 1890	3,063,000	3,390,835.45	327,835	10.7
Minneapolis .....	Aug. 31, 1891	2,690,000	3,263,581.27	186,812	21.7
Iowa .....	Feb. 11, 1893	<i>a</i> 3,010,000	21,597,686.20	.....	.....
Brooklyn .....	.....do .....	<i>b</i> 2,986,000	5,996,000.00	.....	.....
Total .....	.....	24,900,000	27,593,686.20	2,693,686.20	14.24

*a* Uncompleted.

*b* Unsettled.

Your committee recommend that the said bill be amended by adding in line 6, after the word "seventy-seven," the words "the Secretary of the Treasury be, and he is hereby, authorized and directed," and as amended the bill do pass.